

Statement of Senator Olympia J. Snowe
Small Business Committee Hearing
“Small Business Solutions for Combating Climate Change”
March 8, 2007

Thank you, Senator Kerry, for calling this hearing. You and I have worked closely together for a number of years on the issue of global warming. Just last month, we re-introduced our Global Warming Reduction Act, a measure that would require a 65 percent reduction in CO2 emissions by 2050 starting in 2010 – a figure that is both *rigorous* and *realistic* according to scientific experts. We’re witnessing a *sea-change* in public and political acceptance on the scientific *reality* of climate change. I look forward to continuing to work closely with you, Mr. Chairman, as we explore ways to engage small businesses in this *vitaly important* debate. I thank Senator Boxer for joining us today – *welcome!*

I also look forward to hearing the testimony from today’s panel of expert witnesses, including Dr. David Goldstein [Gold-steen], who recently published a book, *Saving Energy, Growing Jobs, How Environmental Protection Promotes Economic Growth, Profitability, Innovation, and Competition*. I am pleased to have contributed the foreword to this book. *Thank you for joining us here today.*

This morning, the Committee will consider, *for the first time ever*, how *small business* can engage in the global warming debate. The evidence for global warming is irrefutable and the cost of inaction incalculable. Man-made carbon dioxide levels and the average global temperature have increased at unprecedented levels over the past century – and are projected to increase up to 8.1 degrees in the *next* 100 years. Sea levels are rising globally.

Just last month, a coalition of “big” businesses – including BP, DuPont, Alcoa, and GE – advocated for a *mandatory* carbon cap-and-trade system – *just as our Global Warming Reduction Act provides, Mr. Chairman!* – to reduce greenhouse gas emissions. Even ExxonMobil, long skeptical on global warming, recently saw its CEO state that, “the risk [of climate change] is so great that it justifies taking action.”

As both leading Republican on this Committee and a longstanding steward of the environment, I firmly believe that “small” business has just as big a role to play in finding a solution to this crisis - and be profitable in doing so. And when it comes to this debate, small businesses are – as the old saying goes – *ripe for the picking*. According to a recent survey conducted by the National Small Business Association, 75 percent of small businesses believe that energy efficiency can make a significant contribution to reducing greenhouse gas emissions. And yet, *only 33 percent* of those had successfully invested in energy efficiency programs for their businesses.

***We need to significantly improve energy efficiency investment by small businesses.* To that end, I will soon re-introduce, with Senators Feinstein and Kerry, the “EXTEND the Energy Efficiency Incentives Act.” This bipartisan measure would improve and extend tax incentives for energy efficiency buildings established under the Energy Policy Act of 2005. By making investments into energy efficient infrastructure, new and retrofit buildings can reap energy savings of more than 50 percent. Many small businesses across the country – *including Lyman and Morse Boatbuilding, in Thomaston, Maine* – are already using this tax incentive to construct new, energy efficient buildings. Our bill will encourage more small businesses to incorporate “green” building practices, reduce energy consumption, increase their profitability – and *create more jobs*.**

The Energy Policy Act of 2005 directed the SBA, working with the Environmental Protection Agency and other agencies, to develop a “Small

Business Energy Clearinghouse” to assist small businesses in becoming more energy efficient. Frankly, it is unclear what progress has been made on these requirements, and I look forward to the status report from SBA and EPA today. Unfortunately, this may be one more example of the Administration’s unwillingness to lead on actions to address global warming.

We also need to tout how many small businesses are *already* leading the charge in combating global warming. For instance, in my home state of Maine, Oakhurst Dairy, an 86-year-old business, recently announced that it has converted its fleet of over 100 trucks and trailers to a bio-diesel fuel blend. Oakhurst’s President Stanley Bennett sent me a letter last week: “*We firmly believe that doing the right thing environmentally is almost always the right thing to do for your business.*” Mr. Chairman, I ask unanimous consent that the letter from Oakhurst Dairy be included in the hearing record.

Finally, as we engage in this debate, we must remain mindful that potential solutions fully consider the economic realities facing small businesses. According to the SBA Office of Advocacy, compliance with environmental regulations costs *364 percent more* in small businesses than in larger businesses. So in developing solutions we must ensure that small businesses possess a range of cost-effective alternatives and avoid a one-sized-fits-all approach.

I look forward to hearing from the panel how small business can take advantage of a vibrant Small Business Energy Clearinghouse which could offer them greater energy efficiencies that translates to greater profitability - and greenhouse gas reductions to combat climate change.

In conclusion, we need to work together, across party lines, to fashion solutions so that small businesses can make a smaller carbon “footprint” and be part of the actions that need to be taken to combat global warming.

Thank you, Mr. Chairman.